

TWENTY-SECOND JUDICIAL DISTRICT COURT
Washington, St. Tammany Parishes, Louisiana

Annual Financial Statements

December 31, 2009

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7/14/10

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Independent Auditor's Report

To the Chief Judge and Judges
of the Twenty-Second Judicial District Court
Washington, St. Tammany Parishes, Louisiana

We have audited the accompanying financial statements of the governmental activities and each major fund of the Twenty-Second Judicial District Court (the Court), as of and for the year ended December 31, 2009, which collectively comprise the Court's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Twenty-Second Judicial District Court's management. Our responsibility is to express opinions on these statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Twenty-Second Judicial District Court as of December 31, 2009, and the respective changes in financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2010, on our consideration of the Twenty-Second Judicial District Court's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters.

The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the *internal control over financial reporting or on compliance*. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 20 through 23 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



A Professional Accounting Corporation

June 15, 2010

**BASIC FINANCIAL STATEMENTS
GOVERNMENT-WIDE FINANCIAL STATEMENTS**

TWENTY-SECOND JUDICIAL DISTRICT COURT
Washington, St. Tammany Parishes, Louisiana
Statement of Net Assets
December 31, 2009

	Governmental Activities
Assets	
Cash	\$ 5,340,500
Receivables	309,947
Capital Assets (Net of Accumulated Depreciation)	<u>214,686</u>
Total Assets	<u>5,865,133</u>
Liabilities	
Accounts Payable	<u>336,552</u>
Total Liabilities	<u>336,552</u>
Net Assets	
Invested in Capital Assets	214,686
Unrestricted	<u>5,313,895</u>
Total Net Assets	<u><u>\$ 5,528,581</u></u>

The accompanying notes are an integral part of these financial statements.

TWENTY-SECOND JUDICIAL DISTRICT COURT
Washington, St. Tammany Parishes, Louisiana
Statement of Activities
For the Year Ended December 31, 2009

	Governmental Activities
Expenses	
Public Safety - Court System	
Salaries and Related Benefits	\$ 1,836,936
Contractual Services	1,626,220
Materials and Supplies	199,844
Lodging and Registration Fees	125,630
Grant Expense	43,123
Intergovernmental Support	22,000
Depreciation	41,191
	<hr/>
Total Program Expenses	3,894,944
	<hr/>
Program Revenues	
Charges for Services	460,774
Operating Grants and Contributions	1,329,451
	<hr/>
Net Program Expense	2,104,719
	<hr/>
General Revenues and Special Items	
Judicial Fees (Excluding Drug Screen Fees)	1,544,493
Court Revenues	382,398
Other	145,791
Interest Income	17,669
Special Item - Loss on Sale of Fixed Assets	(1,134)
	<hr/>
Total General Revenues and Special Items	2,089,217
	<hr/>
Decrease in Net Assets	(15,502)
	<hr/>
Net Assets, Beginning of Year	5,544,083
	<hr/>
Net Assets, End of Year	\$ 5,528,581
	<hr/>

The accompanying notes are an integral part of these financial statements.

**BASIC FINANCIAL STATEMENTS
FUND FINANCIAL STATEMENTS
GOVERNMENTAL FUNDS**

TWENTY-SECOND JUDICIAL DISTRICT COURT
Washington, St. Tammany Parishes, Louisiana
Balance Sheet
Governmental Funds (Special Revenue)
December 31, 2009

	Judicial Expense Fund	Juvenile Drug Court Program Fund	Child Support Fund	Adult Drug Court Program Fund	Total Governmental Funds
Assets					
Cash	\$ 3,880,832	\$ 22,846	\$ 556,477	\$ 880,345	\$ 5,340,500
Receivables	44,478	21,147	67,682	176,640	309,947
Due from Other Court Funds	303,283	-	2,484	-	305,767
Total Assets	\$ 4,228,593	\$ 43,993	\$ 626,643	\$ 1,056,985	\$ 5,956,214
Liabilities					
Accounts Payable	\$ 108,181	\$ 12,641	\$ 45,245	\$ 170,485	\$ 336,552
Due to Other Court Funds	-	31,174	-	274,593	305,767
Total Liabilities	108,181	43,815	45,245	445,078	642,319
Fund Balance					
Fund Balance					
Unreserved - Undesignated	3,863,576	-	- 461,798	228,410	4,553,784
Unreserved - Designated	256,836	178	119,600	383,497	760,111
Total Fund Balance	4,120,412	178	581,398	611,907	5,313,895
Total Liabilities and Fund Balance	\$ 4,228,593	\$ 43,993	\$ 626,643	\$ 1,056,985	

Amounts reported for governmental activities in the
statement of net assets are different because:

Capital assets used in governmental activities
are not financial resources and, therefore,
are not reported in the funds.

214,686

Net Assets of Governmental Activities

\$ 5,528,581

The accompanying notes are an integral part of these financial statements.

TWENTY-SECOND JUDICIAL DISTRICT COURT
Washington, St. Tammany Parishes, Louisiana
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds (Special Revenue)
For the Year Ended December 31, 2009

	Judicial Expense Fund	Juvenile Drug Court Program Fund	Child Support Fund	Adult Drug Court Program Fund	Total Governmental Funds
Revenues					
Court Revenues					
Court Cost	\$ 139,108	\$ -	\$ -	\$ 27,941	\$ 167,049
Civil Cases	142,328	-	-	-	142,328
Ball Bond Fees	73,021	-	-	-	73,021
Judicial Fees					
Probation Fees	952,985	-	-	-	952,985
Child Support Fees	98,284	-	493,224	-	591,508
Drug Screens	178,536	-	-	282,238	460,774
Other Revenues					
State Grants	-	-	51,318	1,019,888	1,071,204
Federal Grants	-	143,811	-	114,438	258,247
Other Revenues	145,001	200	-	590	145,791
Interest Earned	12,904	-	2,153	2,612	17,669
Total Revenues	1,742,167	144,011	546,695	1,447,703	3,880,576
Expenditures					
Public Safety - Court System					
Salaries and Related Benefits	730,355	60,433	503,435	542,713	1,836,936
Contractual Services					
Evaluation/Testing/Treatment	-	88,465	-	938,939	1,027,404
Deputy Detail	19,170	-	-	75,414	94,584
Rent	-	-	-	51,600	51,600
Youth Service Bureau/CASA	84,564	-	-	-	84,564
Other Expenses	53,384	129	9,449	16,895	79,857
Drug Screens	66,973	-	-	-	66,973
22nd JDC Public Defender	-	-	60,000	-	60,000
Insurance	31,169	-	-	8,394	39,563
Contract Labor	36,624	-	669	-	37,293
Legal and Professional Fees	18,573	-	5,040	10,710	34,323
Court Reporters	26,348	-	-	-	26,348
Utilities	2,974	-	-	20,737	23,711
Materials and Supplies	160,385	-	13,811	25,648	199,844
Lodging and Registration Fees	75,468	-	18,356	31,806	125,630
Capital Outlays	72,889	-	12,930	1,795	87,614
Grant Expense	-	-	-	43,123	43,123
Intergovernmental Support	22,000	-	-	-	22,000
Total Expenditures	1,400,876	149,027	623,690	1,767,774	3,941,367
Net Change in Fund Balances	341,291	(5,016)	(76,995)	(320,071)	(60,791)
Fund Balances, Beginning of Year	3,556,507	5,194	658,393	1,154,582	5,374,686
Prior Period Adjustment	222,614	-	-	(222,614)	-
Fund Balances, Beginning of Year as Restated	3,779,121	5,194	658,393	931,978	5,374,686
Fund Balances, End of Year	\$ 4,120,412	\$ 178	\$ 581,398	\$ 611,907	\$ 5,313,895

The accompanying notes are an integral part of these financial statements.

TWENTY-SECOND JUDICIAL DISTRICT COURT
Washington, St. Tammany Parishes, Louisiana
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended December 31, 2009

Amounts reported for governmental activities in the Statement of Activities are different because:

Net Change in Fund Balances - Total Governmental Funds	\$ (60,791)
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Governmental funds report capital outlays as expenditures.

However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

46,423

In the statement of activities, only the loss on the sale of the fixed assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Since no proceeds were received from the disposition, the change in net assets differs from the change in fund balance by the loss on the sale of fixed assets.

(1,134)

Change in Net Assets of Governmental Activities

\$ (15,502)

The accompanying notes are an integral part of these financial statements.

TWENTY-SECOND JUDICIAL DISTRICT COURT
Washington, St. Tammany Parishes, Louisiana

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

Reporting Entity

The basic financial statements of the Twenty-Second Judicial District Court (the Court) include the Judicial Expense Special Revenue Fund, the Child Support Special Revenue Fund, the Adult Drug Court Program Special Revenue Fund, and the Juvenile Drug Court Program Special Revenue Fund. The Criminal Court Fund (essentially the general fund) is included in the basic financial statements of St. Tammany Parish because the Parish is responsible for any deficiency in the fund.

Basis of Presentation

The accompanying basic financial statements of the Court have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial principles.

Government-Wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all of the non-fiduciary activities of the Court. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by the program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not included among program revenues are reported instead as general revenues.

Separate financial statements are provided for the governmental funds.

Fund Financial Statements

The Court uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Court functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The various funds of the Court are classified as governmental. The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it's the primary operating fund of the Court or its total assets, liabilities, revenues, or expenditures of the individual governmental fund is at least 10 percent of the corresponding total for all governmental funds.

TWENTY-SECOND JUDICIAL DISTRICT COURT
Washington, St. Tammany Parishes, Louisiana

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

Fund Financial Statements (Continued)

The Court reports the following major governmental funds:

Judicial Expense Fund

The Judicial Expense Fund of the Court was established under the provisions of the Louisiana Legislative Act 553 in 1980. The act specifies that the clerks of courts and the sheriffs of the Parishes of St. Tammany and Washington shall collect a fee, limited by laws as to the amount, for each civil suit and criminal case filed within the Court's jurisdiction. The clerks of court and the sheriffs of the Parishes of St. Tammany and Washington shall place all sums collected or received under this Act in a separate account to be designated as the Judicial Expense Fund for the Court in depositories to be designated by the Judges of the Court, en banc.

The Judges, en banc, shall have control over the fund and all disbursements made thereafter. They shall cause to be conducted annually an audit of the fund and the books and accounts relating thereto, and shall file the same with the Office of the Legislative Auditor, where it shall be available for public inspection.

In general, the Judicial Expense Fund was established and may be used for any purpose or purposes connected with, incidental to, or related to the proper administration or function of the Court or the offices of the individual Judges and is in addition to any and all other funds, salaries, expenses, or other monies that are now or hereafter provided, authorized or established by law for any of the aforementioned purposes. No salary shall be paid from the Judicial Expense Fund to any of the Judges of the Twenty-Second Judicial District, except as may be paid for administering the said funds, and then only after prior legislative approval.

Child Support Fund

The Child Support Fund of the Court was established under the provisions of Louisiana Revised Statutes 46:236.5, effective January 1, 1989. Under these statutes, the Court has implemented an expedited process for the establishment, modification and enforcement of support obligations by authorizing and directing the Judge presiding over the Family Section (Child Support) of the Court to appoint one or more Hearing Officers, who shall serve at his pleasure, to hear support and support related matters.

The Fund is authorized to assess a fee of five (5) percent on all support obligations made executory on or after January 1, 1989, as a result of a hearing on a rule to enforce support.

**TWENTY-SECOND JUDICIAL DISTRICT COURT
Washington, St. Tammany Parishes, Louisiana**

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

Fund Financial Statements (Continued)

Adult Drug Court Program Fund

The Drug Court Program Fund was established in 1999. The Drug Court program is designed to be a prosecution diversion program for nonviolent offenders of illegal drug possession. The Drug Court program provides counseling to participants; however, the participants agree to random drug testing to monitor their use of illegal drugs.

Juvenile Drug Court Program Fund

The Court began administering funds for the Juvenile Drug Court in July 2003. This program is designed to implement the same policies as the Adult Drug Court Program, except the targeted participants are juveniles. Funding for the Juvenile Drug Court Program Fund is provided through a direct grant from the Department of Health and Human Services, a grant passed through the Louisiana Commission on Law Enforcement, and a grant passed through the State Supreme Court.

Measurement Focus/Basis of Accounting

The amounts reflected in the governmental fund financial statements are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the Balance Sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to the government-wide financial statements.

The amounts reflected in the governmental fund financial statements use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Court considers all revenues available if they are collected in 60 days after the fiscal year-end. Expenditures are recorded when the related fund liability is incurred.

The government-wide financial statements are reported using the "economic resources" measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as soon as all eligibility requirements imposed by the provider have been met.

TWENTY-SECOND JUDICIAL DISTRICT COURT
Washington, St. Tammany Parishes, Louisiana

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Budget Policies

The Court prepares an annual budget for its Judicial Expense Fund, Child Support Fund, Juvenile Drug Court Program Fund, and Adult Drug Court Program Fund. The budgets are prepared on the cash basis. The budgets for these funds were made available for public inspection on December 16, 2008, in the Court Administrator's office. The budget was adopted on December 17, 2008. The budget for the Judicial Expense Fund, Child Support Fund, Adult Drug Court Fund, and Juvenile Drug Court Funds were amended on August 19, 2009, and again on December 16, 2009.

Appropriations that are not expended lapse at year-end.

Encumbrances

Encumbrance accounting is not utilized by the Court.

Cash and Cash Equivalents

Cash includes all amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Court may deposit funds in demand deposits, interest-bearing deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Capital Assets

All capital assets of the Court are recorded at historical costs and are reported on the government-wide financial statements. Depreciation of all exhaustible capital assets is charged as an expense against their operations. In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental funds upon acquisition.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. Improvements are capitalized over the remaining useful lives of the related capital assets, as applicable. It is the Court's policy to capitalize fixed assets over \$1,000. The following estimated useful lives and methods are used to compute depreciation:

Furniture, Fixtures and Equipment	5 - 15 Years	Straight Line
Improvements and Renovations	20 Years	Straight Line

Depreciation expense amounted to \$41,191 for the year ended December 31, 2009.

TWENTY-SECOND JUDICIAL DISTRICT COURT
Washington, St. Tammany Parishes, Louisiana

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Compensated Absences

Vacation Leave

The Judges of the Court establish vacation policies for their respective employees. All other employees generally earn vacation according to the following length of employment:

One Year of Employment	-	One Week Vacation
Two Years of Employment	-	Two Weeks Vacation
Five Years of Employment	-	Three Weeks Vacation
Ten Years of Employment	-	Four Weeks Vacation

In general, unused vacation time cannot be carried over from one calendar year to the next; however, effective September 2000, the vacation policy was amended, allowing certain administrative personnel to carryover their unused vacation time. The amount of carryover resulting from this policy change, however, is considered to be immaterial to the financial statements taken as a whole. Upon termination, unused vacation time is paid to all employees in good standing with the Court.

Sick Leave

Employees are allocated ten days of sick leave each year and are allowed to carry-forward unused sick leave days; however, accumulated sick time is not paid upon termination.

Equity Classifications

In the government-wide financial statements, equity is classified as net assets and displayed in three components:

- a. *Invested in capital assets* - consist of capital assets including restricted assets, net of accumulated depreciation.
- b. *Restricted net assets* - consist of net assets with constraints placed on their use either by external groups or law.
- c. *Unrestricted net assets* - consist of all other net assets that do not meet the definition of "restricted" or "invested in capital assets."

In the fund financial statements, governmental funds report reservations of fund balance for amounts not available for appropriation or that are legally restricted by outside parties for use for a specific purpose. Designations of fund balances represent tentative management plans that are subject to change.

**TWENTY-SECOND JUDICIAL DISTRICT COURT
Washington, St. Tammany Parishes, Louisiana**

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Use of Restricted/Unrestricted Net Assets

When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, the District's policy is to apply restricted net assets first.

Note 2. Cash

The following is a summary of the carrying value of cash balances at December 31, 2009:

Demand Deposits	<u>\$ 5,340,500</u>
Total Cash	<u>\$ 5,340,500</u>

These deposits are stated at cost, which approximates market.

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of a bank failure, the Court's deposits may not be returned to it. The Court does not have a deposit policy for custodial credit risk. As of December 31, 2009, \$5,037,683 of the Court's bank balance of \$5,288,001 was exposed to custodial credit risk. This amount was secured by a combination of federal deposit insurance coverage, which was not exposed to custodial credit risk, and pledged securities in the amount of \$5,254,164.

Under state law, deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

TWENTY-SECOND JUDICIAL DISTRICT COURT
Washington, St. Tammany Parishes, Louisiana

Notes to Financial Statements

Note 3. Receivables

The receivables at December 31, 2009, are summarized below:

Class of Receivable	Judicial Expense Fund	Juvenile Drug Court Program Fund	Child Support Fund	Adult Drug Court Program Fund	Total
Accounts Receivable	\$ 24,993	\$ -	\$ -	\$ 3,291	\$ 28,284
Intergovernmental					
Grants	-	21,147	25,618	173,349	220,114
Court Costs and Fees	19,485	-	42,064	-	61,549
Total	\$ 44,478	\$ 21,147	\$ 67,682	\$ 176,640	\$ 309,947

Note 4. Capital Assets

Capital asset activity for the year ended December 31, 2009, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Being Depreciated				
Computer Equipment	\$ 117,301	\$ 49,962	\$ (17,047)	\$ 150,216
Office Equipment	83,753	25,670	-	109,423
Furniture and Fixtures	26,956	11,982	-	38,938
Renovations	60,289	-	-	60,289
Total Capital Assets Being Depreciated	288,299	87,614	(17,047)	358,866
Less: Accumulated Depreciation				
Computer Equipment	(59,354)	(18,136)	15,913	(61,577)
Office Equipment	(26,742)	(15,414)	-	(42,156)
Furniture and Fixtures	(14,718)	(4,627)	-	(19,345)
Renovations	(18,088)	(3,014)	-	(21,102)
Total Accumulated Depreciation	(118,902)	(41,191)	15,913	(144,180)
Capital Assets, Net	\$ 169,397	\$ 46,423	\$ (1,134)	\$ 214,686

**TWENTY-SECOND JUDICIAL DISTRICT COURT
Washington, St. Tammany Parishes, Louisiana**

Notes to Financial Statements

Note 5. Pension Plans

The employees of the Court belong to the Parochial Employees Retirement System of Louisiana (the Plan). The Plan is a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. Contributions to the Plan are made by St. Tammany Parish Government and the Washington Parish Police Jury. The Court reimburses the Parish and the Police Jury for amounts in excess of what they are required to pay.

Note 6. Operating Lease

The Court leases an office building in Covington, Louisiana, and office space in Franklinton, Louisiana, and Slidell, Louisiana. These leases have been classified as operating leases and, as such, rental payments have been recorded as an operating expenditure. Total rent expense for the year ended December 31, 2009, was \$51,600. Future minimum lease payments are as follows:

2010	\$ 37,200
2011	37,200
2012	37,200
2013	<u>18,600</u>
Total	<u>\$ 130,200</u>

The office space rentals in Franklinton, Louisiana, and Slidell, Louisiana, are rented on a monthly basis without a definitive lease term; therefore, they are not included in the long-term lease disclosure above.

Note 7. Commitments

As authorized by Louisiana Revised Statute 46:236.5, and as ordered by the Judges of the Court, the Child Support Fund is required to pay the 22nd Judicial Court Public Defender's Office \$6,250 per month. These payments shall continue until otherwise terminated by the Judges of the Court.

Note 8. Risk Management

The Court is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Court has obtained liability insurance for the Judges and hearing officers and other supporting staff, as well as for employee dishonesty. Losses associated with the destruction or damage to assets are covered through St. Tammany Parish.

**TWENTY-SECOND JUDICIAL DISTRICT COURT
Washington, St. Tammany Parishes, Louisiana**

Notes to Financial Statements

Note 9. Prior Period Adjustment

The Court recorded a prior period adjustment in the Adult Drug Court Fund decreasing fund balance by \$222,614 and in the Judicial Expense Fund increasing fund balance by \$222,614. The adjustment is related to a restatement to correct expenditures and revenues recognized in prior years.

REQUIRED SUPPLEMENTAL INFORMATION

TWENTY-SECOND JUDICIAL DISTRICT COURT
Washington, St. Tammany Parishes, Louisiana
Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
Judicial Expense Fund
For the Year Ended December 31, 2009

	Budgetary Amounts		Actual -	Variance with
	Original	Final	Budgetary	Final Budget
			Basis	Favorable
				(Unfavorable)
Revenues				
Court Revenues				
Court Cost	\$ 112,000	\$ 137,200	\$ 139,108	\$ 1,908
Civil Cases	130,000	140,000	142,328	2,328
Bail Bond Fees	65,000	65,000	73,021	8,021
Judicial Fees				
Probation Fees	909,000	960,000	952,985	(7,015)
Child Support Fees	80,000	100,000	98,284	(1,716)
Drug Screens	119,000	174,000	178,536	4,536
Other Revenues				
Other Revenues	50,280	148,780	145,001	(3,779)
Interest Earned	70,000	15,000	12,904	(2,096)
Total Revenues	1,535,280	1,739,980	1,742,167	2,187
Expenditures				
Public Safety - Court System				
Salaries and Related Benefits	839,000	794,000	730,355	63,645
Contractual Services				
Youth Service Bureau/CASA	69,280	75,980	84,564	(8,584)
Drug Screens	54,000	71,000	66,973	4,027
Court Reporters	30,000	30,000	26,348	3,652
Contract Labor	60,000	35,000	36,624	(1,624)
Deputy Detail	-	22,000	19,170	2,830
Insurance	25,440	43,440	31,169	12,271
Legal and Professional Fees	28,250	19,250	18,573	677
Utilities	4,000	4,000	2,974	1,026
Other Expenses	10,500	60,625	53,384	7,241
Materials and Supplies	134,800	180,300	160,385	19,915
Lodging and Registration Fees	74,000	86,000	75,468	10,532
Capital Outlays	94,500	94,500	72,889	21,611
Intergovernmental Support	15,000	22,000	22,000	-
Total Expenditures	1,438,770	1,538,095	1,400,876	137,219
Net Change in Fund Balance	\$ 96,510	\$ 201,885	341,291	\$ 139,406
Fund Balance, Beginning of Year			3,556,507	
Prior Period Adjustment			222,614	
Fund Balance, End of Year			\$ 4,120,412	

See independent auditor's report.

TWENTY-SECOND JUDICIAL DISTRICT COURT
Washington, St. Tammany Parishes, Louisiana
Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
Juvenile Drug Court Program Fund
For the Year Ended December 31, 2009

	Budgetary Amounts		Actual -	Variance with
	Original	Final	Budgetary	Final Budget
			Basis	Favorable
				(Unfavorable)
Revenues				
Other Revenues				
Federal Grants	\$ 156,200	\$ 151,200	\$ 143,811	\$ (7,389)
Miscellaneous	-	-	200	200
Total Revenues	156,200	151,200	144,011	(7,189)
Expenditures				
Public Safety - Court System				
Salaries and Related Benefits	48,926	61,652	60,433	1,219
Contractual Services				
Evaluation/Testing/Treatment	110,500	90,774	88,465	2,309
Other Expenses	-	-	129	(129)
Total Expenditures	159,426	152,426	149,027	3,399
Net Change in Fund Balance	\$ (3,226)	\$ (1,226)	(5,016)	\$ (3,790)
Fund Balance, Beginning of Year			5,194	
Fund Balance, End of Year			\$ 178	

See independent auditor's report.

TWENTY-SECOND JUDICIAL DISTRICT COURT
Washington, St. Tammany Parishes, Louisiana
Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
Child Support Fund
For the Year Ended December 31, 2009

	Budgetary Amounts		Actual -	Variance with
	Original	Final	Budgetary	Final Budget
			Basis	Favorable
				(Unfavorable)
Revenues				
Judicial Fees				
Child Support Fees	\$ 485,000	\$ 490,000	\$ 493,224	\$ 3,224
Other Revenues				
State Grants	51,340	51,340	51,318	(22)
Interest Earned	15,000	2,500	2,153	(347)
Total Revenues	551,340	543,840	546,695	2,855
Expenditures				
Public Safety - Court System				
Salaries and Related Benefits	527,400	507,400	503,435	3,965
Contractual Services				
22nd JDC Public Defender	60,000	60,000	60,000	-
Other Expenses	6,700	10,800	9,449	1,351
Contract Labor	7,000	1,000	669	331
Legal and Professional Fees	6,000	6,000	5,040	960
Court Reporters	1,000	1,000	-	1,000
Materials and Supplies	8,000	15,000	13,811	1,189
Lodging and Registration Fees	6,000	15,000	18,356	(3,356)
Capital Outlays	5,700	13,400	12,930	470
Total Expenditures	627,800	629,600	623,690	5,910
Net Change in Fund Balance	\$ (76,460)	\$ (85,760)	(76,995)	\$ 8,765
Fund Balance, Beginning of Year			658,393	
Fund Balance, End of Year			\$ 581,398	

See independent auditor's report.

TWENTY-SECOND JUDICIAL DISTRICT COURT
Washington, St. Tammany Parishes, Louisiana
Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
Adult Drug Court Program Fund
For the Year Ended December 31, 2009

	Budgetary Amounts		Actual -	Variance with
	Original	Final	Budgetary	Final Budget
			Basis	Favorable
				(Unfavorable)
Revenues				
Court Revenues				
Court Cost	\$ 45,000	\$ 35,000	\$ 27,941	\$ (7,059)
Other Fees	80,000	-	-	-
Judicial Fees				
Drug Screens	505,000	315,000	282,238	(32,762)
Other Revenues				
Federal Grants	125,000	125,000	114,436	(10,564)
State Grants	1,007,400	1,079,400	1,019,886	(59,514)
Interest Earned	20,000	5,000	2,612	(2,388)
Miscellaneous	1,000	1,000	590	(410)
Total Revenues	1,783,400	1,560,400	1,447,703	(112,697)
Expenditures				
Public Safety - Court System				
Salaries and Related Benefits	652,000	564,400	542,713	21,687
Contractual Services				
Evaluation/Testing/Treatment	997,800	948,600	938,939	9,661
Deputy Detail	100,240	100,240	75,414	24,826
Rent	52,600	52,600	51,600	1,000
Grant Expense	-	46,000	43,123	2,877
Utilities	19,700	21,700	20,737	963
Insurance	10,000	10,000	8,394	1,606
Other Expenses	16,600	20,000	16,895	3,105
Legal and Professional Fees	12,500	12,500	10,710	1,790
Lodging and Registration Fees	42,400	42,400	31,806	10,594
Materials and Supplies	32,000	27,000	25,648	1,352
Capital Outlays	10,000	5,000	1,795	3,205
Total Expenditures	1,945,840	1,850,440	1,767,774	82,666
Net Change in Fund Balance	\$ (162,440)	\$ (290,040)	(320,071)	\$ (30,031)
Fund Balance, Beginning of Year			1,154,592	
Prior Period Adjustment			(222,614)	
Fund Balance, End of Year			<u>\$ 611,907</u>	

See independent auditor's report.



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Chief Judge and Judges
of the Twenty-Second Judicial District Court
Washington, St. Tammany Parishes, Louisiana

We have audited the financial statements of the governmental activities and each major fund of the Twenty-Second Judicial District Court, as of and for the year ended December 31, 2009, which collectively comprise the Twenty-Second Judicial District Court's basic financial statements and have issued our report thereon dated June 15, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit we considered the Twenty-Second Judicial District Court's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Twenty-Second Judicial District Court's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Twenty-Second Judicial District Court's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Twenty-Second Judicial District Court's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information of the Twenty-Second Judicial District Court, management, and the Legislative Auditor of the State of Louisiana, and it is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



A Professional Accounting Corporation

June 15, 2010